

Lieutenant Governor

## State of Utah Department of Commerce

Division of Securities

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**NEWS RELEASE** 

July 19, 2007

Park City Promoter of Dietary Supplement Companies Accused of Securities Fraud Kitts accused of promising companies would soon go public, yield high profits ...

**SALT LAKE CITY, Utah** – On July 16, the Utah Division of Securities accused Brian Arthur Kitts and his two companies, NevWest Corporation and Brisam Corporation of taking \$87,500 from seven investors, promising them huge profits when the two companies went public. NevWest and Brisam are Nevada companies that have never qualified to do business in Utah.

The Division's order to show cause alleges that Kitts told prospective investors that their money would be used to take NevWest public, which would occur within three months, and that when the company went public, the investors would more than double their money. After the companies did not go public when promised, Kitts told various stories to the investors such as claiming NevWest would invest in a nutrition company or that it would merge with other public companies. Some investors purchased stock in Brisam, which Kitts said produced dietary supplements.

When soliciting investors, the Division alleges that Kitts failed to disclose that he had an unpaid civil judgment against him of more than \$100,000, that he had an outstanding tax lien, and that one of his former companies declared bankruptcy the prior year. In reality, Kitts used the money from investors for personal expenses and Brisam Corp. never engaged in any type of business.

The order to show cause alleges that Kitts, NevWest, and Brisam engaged in securities fraud, sold unregistered securities, and sold securities without being licensed. A hearing will be held on August 27 to allow Kitts and the companies an opportunity to contest the allegations.

## Criminal Charges Filed Against Kitts

Separately, on July 19, the Utah Attorney General filed 17 criminal charges against Kitts for his conduct in selling fraudulent investments to these seven investors. The criminal information alleges eight counts of securities fraud, eight counts of theft, and one count of engaging in a pattern of unlawful activity. The unlawful conduct alleged in the criminal charges is the same as the conduct alleged by the Division and described above.

Note: defendants in criminal cases are presumed innocent until they are convicted after trial or they enter a guilty plea.